

AUG 01 2002

EMPLOYER STATUS DETERMINATION
Texas Transportation Company

This is the decision of the Railroad Retirement Board regarding the continued status of the Texas Transportation Company as an employer under the Railroad Retirement Act (45 U.S.C. § 231, et seq.) (RRA) and the Railroad Unemployment Insurance Act (45 U.S.C. § 351, et seq.) (RUIA).

The Texas Transportation Company was held to be an employer under the Acts effective September 25, 1897 (B.A. Number 4822). It ceased operations and last compensated employees on June 30, 2000. It has not yet disposed of its assets or dissolved the corporation. However, it plans to dissolve the corporation by the end of 2002.

Section 202.11 of the Board's regulations provides that:

The employer status of any company or person shall terminate whenever such company or person loses any of the characteristics essential to the existence of an employer status.

Through cessation of operations and its plans to dissolve the corporation, the Texas Transportation Company has lost the characteristics essential to the existence of an employer status. Accordingly, the Board holds that Texas Transportation Company ceased to be an employer under the Railroad Retirement and Railroad Unemployment Insurance Acts effective with the close of business on June 30, 2000. Cf. Rev Ruling 82-99, 1982-2 C.B. 154, wherein the Internal Revenue Service ruled that a railroad ceases to be an employer subject to taxes under the Railroad Retirement Tax Act when the railroad's employees stop performing services in connection with the railroad's carrier activities.

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